

Agency for Health Care Administration

Florida Center for Health Information and Policy Analysis

Document Abstract

October 2008

Title: Florida Health Care Expenditures, 2006

Summary: In 2006, personal health care expenditures in Florida reached \$112.2 billion, up from \$104.5 billion in 2005 (an increase of 7.4%), and \$98.7 billion in 2004. Among health services, the growth in spending from 2005 to 2006 was greatest for Medical Laboratories (14.2%), Home Health (12.0%) and Specialized Government Services (10.5%).

From 2005 to 2006, total Medicare expenditures increased 16.9%, while Medicaid expenditures decreased by 6.4%. These changes are most likely due to the initiation of Medicare Part D, which shifted prescription drug expenses from Medicaid to Medicare for enrollees eligible for both Medicaid and Medicare. Medicaid enrollment decreased 0.2% during this period. Total HMO expenditures were \$13.4 billion in 2006. HMO expenditures increased by 9.0% from 2005 to 2006, while enrollment decreased by 3.0%.

Florida expenditures were \$6,182 per capita in 2006, representing 16.8% of personal income. U.S. expenditures were \$5,898 per capita, or 16.1% of personal income.

Future Policy Implications: Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. The growth of physician, hospital and medicinal drug expenditures will impact benefits provided by public and private health plans, as well as consumer spending for personal health care. The impact of Medicare Part D on both Medicare and Medicaid expenditures was observed in spending changes from 2005 to 2006, and will affect spending for both programs for the foreseeable future.

Relevant Florida Statutes: Section 408.063(5), Florida Statutes, requires an annual comprehensive report of state health care expenditures.

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Acknowledgments

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Executive Summary

In 2006, personal health care expenditures in Florida reached \$112.2 billion, up from \$104.5 billion in 2005 and \$98.7 billion in 2004. That represents an increase of 7.4% in health care costs from 2005 to 2006, following an increase of 5.8% from 2004 to 2005. The 7.4% increase is the third time in the four-year period (2003-2006) that the annual increase was between seven and eight percent. The largest annual increase observed since 1992 was 8.8% in 2000-01. The 7.4% increase is higher than general health care inflation as measured by a national index of health care inflation, the Consumer Price Index-Medical Care component (4.0%).

Among health services, expenditures for Medical Laboratories (14.2%), Home Health (12.0%) and Specialized Government Services (10.5%) had the highest percentage increases. Medicare, with a 16.9% increase, had the greatest growth in expenditures among payers, followed by Other Public Funds (6.3% increase).

For the first time since the inception of this report (1993), the annual growth rate for Medicaid expenditures decreased from the previous year. The spending rate decreased by 6.4% from 2005 to 2006, down from the previous year's increase of 3.1%. Since 1992, Medicaid expenditures had increased in each year, often in conjunction with large increases in enrollee caseload. However, from 2005 to 2006, the caseload decreased by 0.9%, in contrast with double-digit increases in caseload observed from 1999 to 2002. These changes are most likely due to the initiation of Medicare Part D, which shifted prescription drug expenses from Medicaid to Medicare for enrollees eligible for both plans. For Medicaid enrollees, spending per enrollee decreased by 5.6%, down from annual increases of 0.2% (2004-05) and 7.9% (2003-04).

Growth in Medicare expenditures increased by 16.9% in 2006 compared with 2005, up from an increase of 8.8% from 2004 to 2005. The number of Medicare beneficiaries has grown by a small percentage annually, e.g., 1.8% from 2005 to 2006. Therefore, from 2005-2006 spending per beneficiary increased by 14.7%, up from a 7.8% increase from 2004 to 2005. Again, this change is due, in part, to the initiation of Part D health plans.

HMO expenditures totaled \$13.4 billion in 2006, up 9.0% from \$12.3 billion in 2005, which was up 5.5% from 2004. HMO expenditures include Medicare, Medicaid, and private HMO expenditures. The annual rate of growth of HMO expenditures has increased steadily in each year since 2002, but the change from 2005 to 2006 (9.0%) was still below the typical annual growth of at least 20% seen throughout the 1990s.

Excluding expenditures for health care services delivered to nonresidents, personal health care spending for Florida residents was \$111.6 billion, or \$6,182 per capita in 2006. Health care spending was 16.8% of the total personal income of Florida residents. U.S. personal health care expenditures were \$5,898 per capita, accounting for 16.1% of personal income.

Florida health care spending is affected by the higher proportion of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2006, the percentage of Florida residents aged 65 years and older was 17.2%, compared to 12.5% for the United States.

Personal health care expenditures equal total revenues received by health care providers. Health care providers include all practitioners and facilities that offer health care services and medical supplies to individual patients. Public health education and regulation expenditures and health insurance administrative costs are not included in personal health care expenditures.

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Introduction

Personal health care expenditures equal total revenues received by health care providers as compensation for their services from consumers, insurers, and government agencies. This report provides information about trends in health care expenditures for: (1) health care services, (2) health care payers, and (3) health maintenance organizations (HMOs). Personal health care expenditures include all services provided on an individual basis. Expenditures for public health education and regulation and the administrative costs of insurers are excluded.

The health care expenditures in this report describe payments for services delivered in Florida, including services delivered to nonresidents. Expenditures per capita and expenditures as a percent of personal income were adjusted to reflect resident spending. On a statewide basis, the difference between provider-receipts and resident-based expenditures was less than 1%.

Health care services are categorized according to the definitions of the North American Industry Classification System (NAICS)¹ (**Appendix 1**) and other categories described in **Appendix 2**. The 2002 Economic Census conducted by the U.S. Census also used the NAICS.^{2,3,4} All previous editions of this report classified services according to the categories of the *U.S. Standard Industrial Classification Manual* (SIC).⁵

To maintain consistency in the categories over the years, expenditures grouped under the NAICS were mapped to the old SIC categories using the document *1987 SIC Matched to 2002 NAICS, Service Industries*.⁶ The results of this mapping can be seen in **Appendix 1**. There is not, however, a perfect one-to-one correspondence between some NAICS and SIC categories. For example, to construct a new Nursing Home group one must aggregate several NAICS categories, some of which contain expenditures that are not strictly nursing home, e.g., continuing care retirement communities. The result is a less than perfect bridge from the old SIC categories to the new NAICS ones. The two service categories potentially affected the most by this mismatch are nursing homes and hospitals.

Health care payers are categorized according to definitions used by the U.S. Centers for Medicare & Medicaid Services (CMS) described in **Appendix 3**. Health care payers include all governmental programs and subsidies, insurance plans, out-of-pocket payments, and other private sources such as investments, donors or various enterprises.

Health care expenditures for health services were estimated using reports from government agencies, mainly data on employee wages that constitute approximately 40% of total personal health care expenditures.⁷ Florida wage data were obtained for all health services except medicinal drugs, durable medical equipment, and specialized government and other services. Expenditures for specialized government and other services were estimated using national data. National and state data from the 2002 Economic Census were used to estimate medicinal drugs and durable medical equipment. Data sources and methods for health service expenditures are described in **Appendix 2**.

National health care expenditure figures obtained from CMS are a major data source for this report. When CMS releases the latest data in the annual report, *National Health Expenditures*, the data from many previous years are revised.⁸ Therefore, figures for Florida expenditures in the years 1992-2006 shown in this report will be different from figures for the same years as displayed in previous editions of this report.

Payer expenditures were estimated using national data and the total of Florida health care expenditures. Florida data were obtained for Medicaid and Medicare expenditures. Data sources and methods for payer expenditures are described in **Appendix 4**, which also details the method used to estimate resident-based expenditures.⁹ Finally, HMO expenditures and revenue were obtained from reports prepared by the Florida Department of Financial Services.

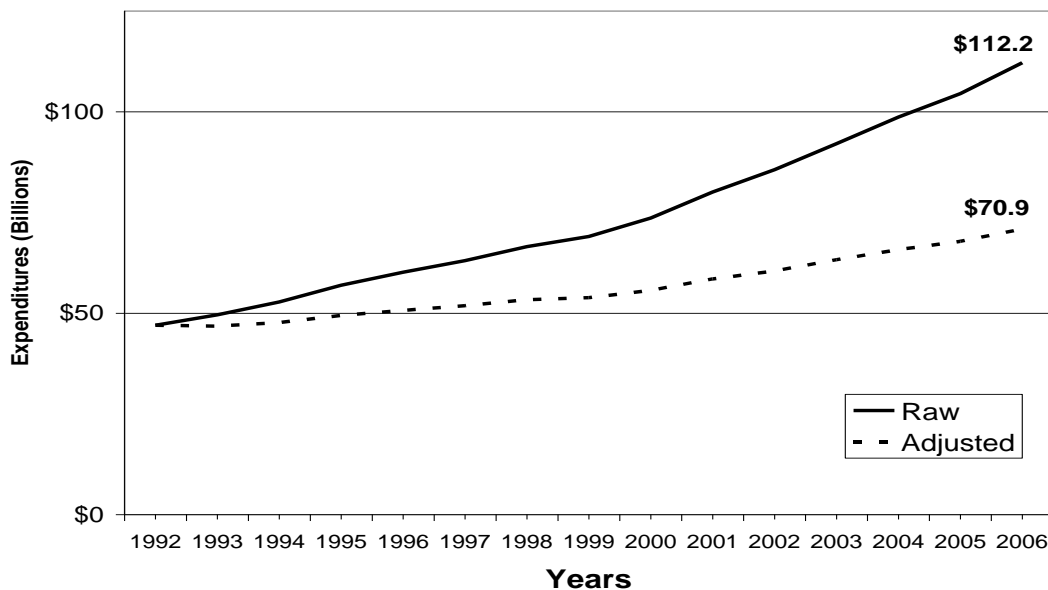
Health Care Expenditures by Service

In 2006, personal health care expenditures in Florida reached \$112.2 billion, a 7.4% increase over the \$104.5 billion spent in 2005, following an increase of 5.8% from 2004 to 2005. The 7.4% increase is the third time in the four-year period (2003-2006) that the annual increase was between seven and eight percent. The annual percentage increase peaked from 2000 to 2001, with a rate of 8.8%.

Figure 1 shows the annual growth in Florida expenditures from 1992 to 2006. The chart displays this growth in two ways, in terms of the actual dollar amounts ("Raw") and inflation-adjusted numbers ("Adjusted"). The adjustment utilized a national health care inflation index, the Consumer Price Index-Medical Care component as provided by the U.S. Bureau of Labor Statistics. See **Appendix 5** for a listing of this inflation index and its annual percentage change.

Figure 1 shows that, starting with expenditures in 1992 (\$47.0 billion) as the anchor, spending increased by 138.8% to \$112.2 billion in 2006. By inflation adjusting these figures, keeping expenditures in 1992 dollars, the increase was 50.9%, up to \$70.9 billion in 2006.

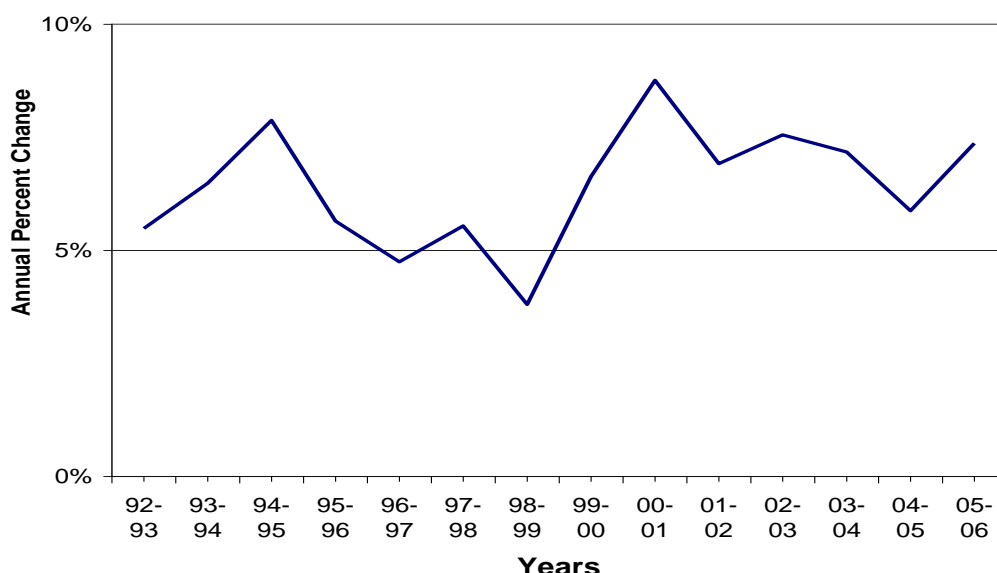
Figure 1
Annual Change in Expenditures, 1992-2006
Raw and Inflation-Adjusted Expenditures



Note: Adjustment uses Consumer Price Index-Medical Care
Source: AHCA; U.S. Bureau of Labor Statistics

Figure 2 shows the annual percentage change in expenditures (unadjusted) from 1992 to 2006. The figure shows that the annual percentage change in expenditures in Florida was mainly between 5% and 9%. For example, between 2005-2006, Florida health care spending increased by 7.4%, which represented a 4.5% increase after adjusting for national inflation.

Figure 2
Annual Percentage Change in Expenditures, 1992-2006



Source: AHCA; U.S. Bureau of Labor Statistics; CMS

Figure 3 displays the proportion of total health care expenditures among health services in 2006. The service categories with the highest expenditures were Hospitals (33.0% of total expenditures), Physicians (24.1%) and Medicinal Drugs (14.9%). Together these three components accounted for 72.0% of total personal health care expenditures in 2006.

Figure 3
Expenditures by Health Service
Percent of Total Expenditures, 2006

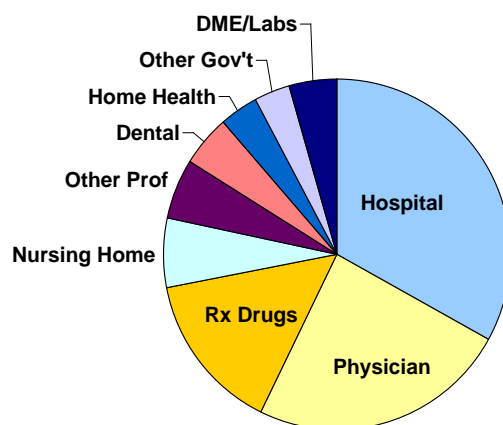


Table 1 displays the percentage change in health care services expenditures from 2005 to 2006. The difference in overall spending (\$7.8 billion) represents a 7.4% increase. Three health care services had an increase greater than a 10% between 2005 and 2006, (Medical Laboratories, Home health and Specialized Government Services). For the top three cost drivers, the spending increases were more modest: Medicinal Drugs (7.8%), Physicians (7.2%), and Hospitals (6.2%). The annual increase for each of these three items was higher than the increase from the previous year.

Table 1
Expenditures by Health Service, 2005-2006

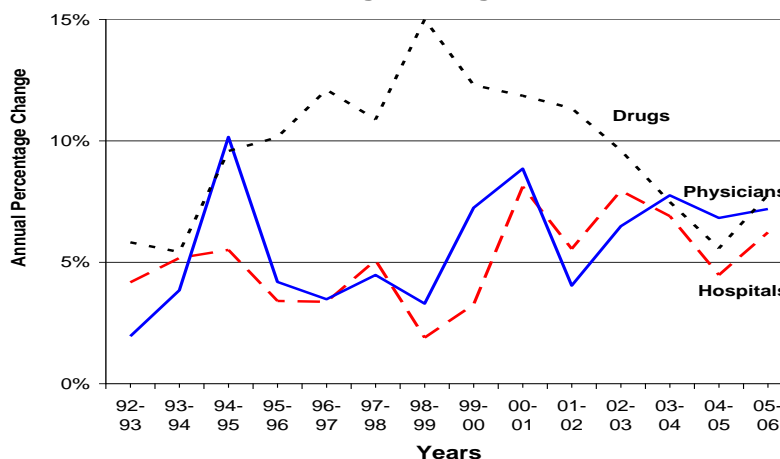
Health Services	Expenditures		Difference	Percent Change
	2005	2006	2005-2006	2005-2006
Hospitals	\$34,910	\$37,085	\$2,175	6.2%
Physicians	25,287	27,106	1,819	7.2%
Dentists	4,836	5,144	307	6.4%
Medical Laboratories	2,901	3,314	412	14.2%
Other Professionals	6,013	6,426	414	6.9%
Home Health	3,654	4,093	439	12.0%
Medicinal Drugs	15,504	16,709	1,205	7.8%
Durable Medical Equipment	1,686	1,724	38	2.3%
Nursing Homes	6,285	6,885	601	9.6%
Specialized Government Services	3,404	3,760	356	10.5%
Total Personal Health Care	104,480	112,246	7,766	7.4%

Note: Expenditures in \$ millions.

Source: AHCA

Figure 4 shows the annual percentage change in expenditures since 1992 for medicinal drugs, hospitals and physicians. Between 1998-1999, the growth rate for drugs peaked at 15.1%, and had declined in every year since then, until 2005-06 when the rate increased by 7.8%. Between 1996 and 2003, annual spending increases for medicinal drugs was three to twelve percentage points higher than the rates for hospital and physician services. Since 2003, the growth rates have converged, due in part to rate increases for the hospital and physician services. The increase in spending for medicinal drugs exceeded that for physicians and hospitals for the first time since 2002-03. Additional details on expenditures for health care services, for each year from 1992 to 2006, are reported in **Appendix 6**.

Figure 4
Expenditures for Medicinal Drugs, Hospital and Physician Services
Annual Percentage Change, 1992-2006



Source: AHCA

Table 2 and **Figure 5** display the percentage of total health care expenditures among health services in 1992, 2005 and 2006. Over the fifteen-year period, the proportion of total expenditures declined in the two largest categories, hospitals (a 6.5 percentage point decrease in share) and physicians (a 2.5 percentage point decrease), while medicinal drugs had the largest proportional increase (5.0 percentage points). The proportion of spending in 2006 is down slightly from 2005 for Hospitals (a 0.4 percentage point decrease), and Physicians (0.1 point decrease), while the share for Medicinal Drugs increased by 0.1 points.

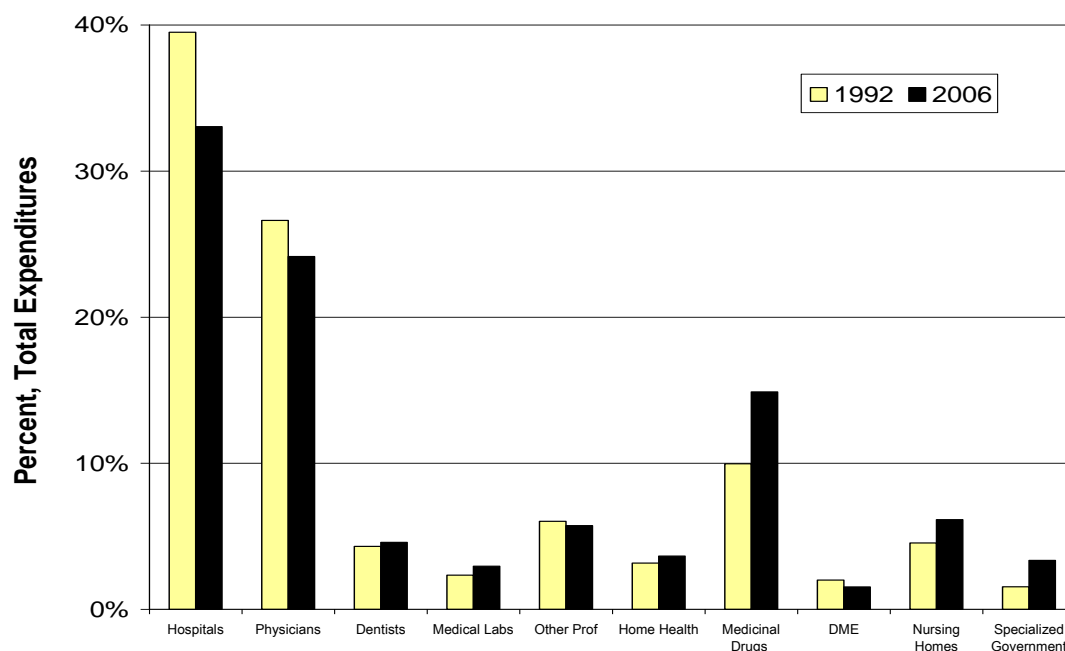
Table 2
Expenditures by Health Service
Percent of Total Expenditures, 1992, 2005 and 2006

Health Services	1992		2005		2006	
	Amount	Percent	Amount	Percent	Amount	Percent
Hospitals	\$18,573	39.5%	\$34,910	33.4%	\$37,085	33.0%
Physicians	12,516	26.6%	25,287	24.2%	27,106	24.1%
Dentists	2,025	4.3%	4,836	4.6%	5,144	4.6%
Medical Laboratories	1,100	2.3%	2,901	2.8%	3,314	3.0%
Other Professionals	2,830	6.0%	6,013	5.8%	6,426	5.7%
Home Health	1,489	3.2%	3,654	3.5%	4,093	3.6%
Medicinal Drugs	4,641	9.9%	15,504	14.8%	16,709	14.9%
Durable Medical Equipment	972	2.1%	1,686	1.6%	1,724	1.5%
Nursing Homes	2,138	4.5%	6,285	6.0%	6,885	6.1%
Specialized Government	723	1.5%	3,404	3.3%	3,760	3.4%
Total Personal Health Care	47,007	100.0%	104,480	100.0%	112,246	100.0%

Note: Expenditures in \$ millions; Numbers and percents may not add to totals due to rounding.

Source: AHCA

Figure 5
Expenditures by Health Service
Percent of Total Expenditures, 1992 and 2006

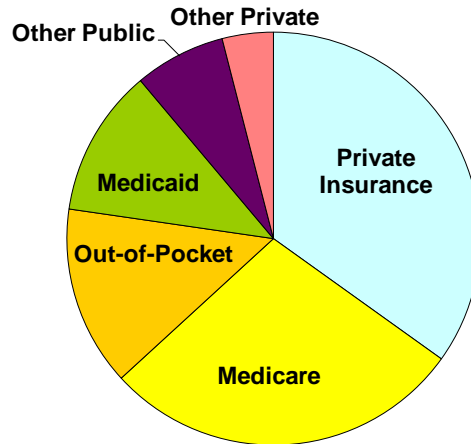


Source: AHCA

Health Care Expenditures by Payer

Figure 6 shows the proportion of total expenditures in 2005 by payer category. The payer categories with the highest expenditures were Private Insurance (34.9% of total expenditures), Medicare (28.3%) and Medicaid (11.6%).

Figure 6
Expenditures by Payer
Percent of Total Expenditures, 2006



Appendix 7 displays the percentage change in expenditures by payer from 1992 to 2006. Between 2005 and 2006, the growth of spending was greatest for Medicare (16.9%), followed by Other Public Funds (7.6%). The substantial growth in Medicare expenditures is most likely due to the growth of the Medicare program under Part D plans.

The decline in Medicaid expenditures (-6.4%) was the only annual decrease observed since this report was first published in 1993. In comparison, the annual growth rate over the period 1999-2004 was between 10% - 15%. The decrease is most likely due to changes in spending related to prescription drugs. When the Medicare Part D program was initiated in January 1, 2006, many Medicaid enrollees who were “dually-eligible” for both Medicaid and Medicare, became covered under a Medicare Part D plan. Spending on prescription drugs by Medicaid decreased by approximately \$1.1 billion (-45.1%) from FY2004-05 to FY2006-07. Conversely, national Medicare expenditures for prescription drugs increased by 914.5% from 2005 (\$3.9 billion) to 2006 (\$39.5 billion).

Appendix 7 also shows that the spending increase for Private Insurance (6.9%) continued a trend of annual increases between six and seven percent observed since 2000. Out-of-Pocket expenses increased by 4.7%, up slightly from the 4.4% increase in the previous period. Since 1999, the annual increase in Out-of-Pocket spending has ranged between three and five percent.

Table 3 displays the percentage of total personal health care expenditures among health payers in 1992, 2005 and 2006. Between 2005 and 2006, the proportion of Medicare expenditures increased by 2.3 percentage points, the largest change in the share of expenditures for any payer since 1992. Most likely, this is due mainly to the Part D expansion. In contrast, the proportion of Medicaid expenditures decreased by 1.7 points, Private Insurance decreased by 0.2 points and Out-of-Pocket decreased by 0.4 points.

Comparing the proportion of expenditures in 2006 against that in 1992, reveals that three payers showed increases, led by Medicare (6.1 points), followed by Medicaid (2.2 percentage points), and Private Insurance (0.9 points). The proportion of total expenditures decreased for Out-of-Pocket (down 5.9 points) and Other Public Funds (down 2.3 points).

Table 3
Expenditures by Payer
Percent of Total Expenditures, 1992, 2005 and 2006

Health Care Payer	1992		2005		2006	
	Amount	Percent	Amount	Percent	Amount	Percent
Medicaid	\$4,419	9.4%	\$13,886	13.3%	\$12,992	11.6%
Medicare	10,427	22.2%	27,174	26.0%	31,756	28.3%
Other Public Funds	4,426	9.4%	7,439	7.1%	8,003	7.1%
Private Insurance	15,982	34.0%	36,634	35.1%	39,170	34.9%
Out-of-Pocket	9,407	20.0%	15,123	14.5%	15,835	14.1%
Other Private Sources	2,347	5.0%	4,225	4.0%	4,490	4.0%
Total Personal Health Care	47,007	100.0%	104,480	100.0%	112,246	100.0%

Note: Expenditures in \$ millions; Numbers and percents may not add to totals due to rounding.

Source: AHCA; CMS

Table 4 shows figures for the Medicaid caseload (number of eligible enrollees), total expenditures and expenditures per enrollee for 2000-2006. Between 2005 and 2006, expenditures decreased by 6.4%, the only annual decrease since 1992. The caseload decreased by 0.9%, yielding a per-eligible decrease of 5.6%. That annual rate decrease was the only decrease observed since 1996, and was most likely due to the inception of Medicare Part D.

Table 4
Florida Medicaid Health Plans
Annual Percentage Change in Average Monthly Caseload
Total Expenditures and Expenditures per Eligible, 2000-2006

	2000	2001	2002	2003	2004	2005	2006
Caseload (Eligibles)	1,710,471	1,876,909	2,005,354	2,076,560	2,118,145	2,178,100	2,157,953
Percent Change	11.1%	9.7%	6.8%	3.6%	2.0%	2.8%	-0.9%
Expenditures (\$millions)	\$8,332	\$9,560	\$10,828	\$12,243	\$13,470	\$13,886	\$12,992
Percent Change	13.3%	14.7%	13.3%	13.1%	10.0%	3.1%	-6.4%
Expenditures/Eligible	\$4,871	\$5,094	\$5,400	\$5,896	\$6,359	\$6,375	\$6,020
Percent Change	2.0%	4.6%	6.0%	9.2%	7.9%	0.2%	-5.6%

Source: AHCA and Florida Office of Economic and Demographic Research (EDR)

Figure 7 portrays these trends in Medicaid expenditures and expenditures per beneficiary for the years 1997 – 2006.

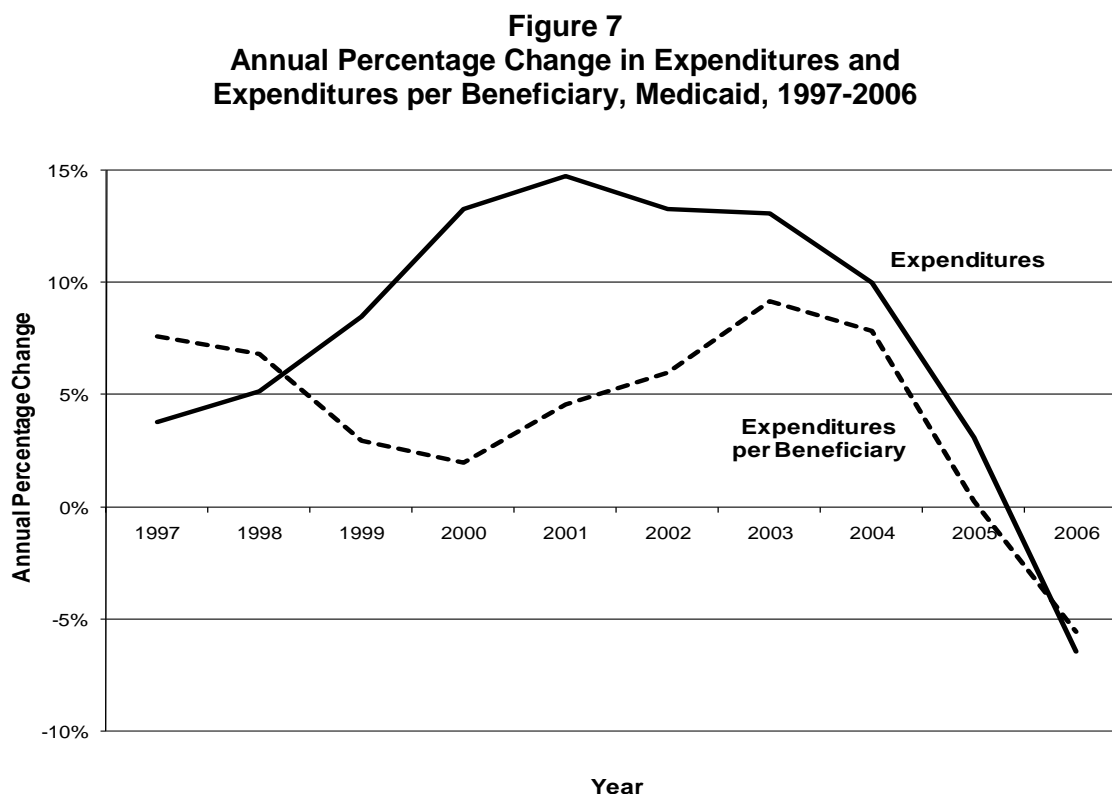


Table 5 shows figures for the Medicare beneficiary enrollment, total expenditures and expenditures per beneficiary for 2000-2006. From 1998 to 2003, annual expenditures for Medicare increased by a smaller amount compared to Medicaid. However, between 2003 and 2004 that situation reversed, where the increase in Medicare expenditures was 1.4 percentage points greater than the increase for Medicaid. Between 2005 and 2006, that spread increased to 23.3 points (Medicare 16.9%, Medicaid -6.4%).

In contrast with Medicaid, the number of Medicare beneficiaries has grown by a steady, small percentage annually. The result is a large increase in spending per beneficiary for Medicare (14.7%), compared with a decrease for Medicaid (-5.6%) over the period 2005-2006.

Table 5
Florida Medicare Health Plans
Annual Percentage Change in Average Monthly Enrollment
Total Expenditures and Expenditures per Beneficiary, 2000-2006

	2000	2001	2002	2003	2004	2005	2006
Beneficiaries	2,803,961	2,838,345	2,876,168	2,920,971	2,980,279	3,008,193	3,063,638
Percent Change	1.2%	1.2%	1.3%	1.6%	2.0%	0.9%	1.8%
Expenditures (\$millions)	\$17,452	\$19,254	\$20,770	\$22,415	\$24,979	\$27,174	\$31,756
Percent Change	5.7%	10.3%	7.9%	7.9%	11.4%	8.8%	16.9%
Expenditures/Beneficiary	\$6,224	\$6,784	\$7,222	\$7,674	\$8,381	\$9,033	\$10,365
Percent Change	4.4%	9.0%	6.5%	6.3%	9.2%	7.8%	14.7%

Source: Centers for Medicare & Medicaid Services

Comparison of Florida and the United States

Table 6 shows health care expenditures per capita and as a percent of personal income for Florida residents and the nation in 1992, 2005 and 2006.¹⁰ In 2006, health care expenditures were 16.8% of personal income in Florida, a slight decrease from 16.9% in 2005. The 16.8% proportion was down one percentage point from a peak of 17.8% in 2003

Personal health care expenditures for the nation were 16.1% of personal income in 2006, unchanged from 2005 and up from 13.6% in 1992. Health care spending of Florida residents reached \$6,182 per capita in 2006, while U.S. spending per capita was \$5,898. Excluding expenditures for nonresidents, personal health care spending was \$111.6 billion in Florida in 2006. (To estimate resident expenditures, Florida personal health care expenditures were reduced by the Medicare net flow border crossing ratio of 0.9805 for Florida (1991)⁹, weighted by the proportion of Medicare expenditures to total health care expenditures in Florida.)

Table 6
Per Capita Health Care Expenditures and
Percent of Personal Income
Florida and the United States, 1992, 2005 and 2006

	Florida			United States		
	1992	2005	2006	1992	2005	2006
Total Expenditures *	\$46,804	\$103,951	\$111,627	\$725,917	\$1,653,703	\$1,762,037
Population *	13.7	17.8	18.1	256.5	296.5	298.8
Expenditures Per Capita	\$3,429	\$5,850	\$6,182	\$2,830	\$5,577	\$5,898
Total Personal Income *	\$278,700.3	\$616,766.7	\$663,260.7	\$5,349,384.0	\$10,284,378.0	\$10,966,808.0
Percent of Personal Income	16.8%	16.9%	16.8%	13.6%	16.1%	16.1%

* Figures in millions. Excludes non-Florida residents.
Source: AHCA, CMS and U.S. Bureau of Census

Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2006, the percentage of Florida residents ages 65 years and older was 17.2%, compared to 12.5% for the U.S. In the U.S. between 1991 and 1998, total health care spending of persons 65 years and over was about six times that of persons under age eighteen.¹¹ In 1997 median total drug expenditures by the elderly was 5.6 times greater than that of the non-elderly.¹² An implication of these findings is that states with a higher proportion of older residents will have higher health care expenditures.

Table 7 (next page) details facility charges by age group for inpatient hospitalizations and ambulatory surgery visits from data reported to AHCA by hospitals and ambulatory surgery centers in Florida for 2006. The table shows that the percentage of charges for the older age group exceeds their proportion of the population. This is especially true for inpatient hospitalization, where 17.2% of the population accounted for 47.4% of charges. Inpatient hospitalization spending per person among the older age group (ages 65 and over) was 4.3 times that of the younger group (ages 0 through 64). The age group differences were less pronounced with ambulatory surgery, where the older age group accounted for 35.5% of charges. For these services, spending per person for the elderly group was 2.7 times that for the younger group.

Table 7
Per Capita Facility Charges
by Age Group and Facility Type
Florida, 2006

Age Group (Years)	Charges (Sum)	Percent Charges	Population	Percent Population	Charges / Population
Inpatient Hospital					
0 - 64	\$39,993,329,607	52.6%	15,274,213	82.8%	\$2,618
65 +	\$35,971,075,343	47.4%	3,166,487	17.2%	\$11,360
Ambulatory Surgery					
0 - 64	\$10,336,744,785	64.5%	15,274,213	82.8%	\$677
65 +	\$5,682,418,840	35.5%	3,166,487	17.2%	\$1,795

Source: AHCA and Florida Office of Economic and Demographic Research

Table 8 displays expenditures for health services in the U.S. and Florida in 2006, and shows that Florida had a lower percentage of expenditures for hospital services than the nation (a 3.8 percentage point difference). Further, although Florida has a higher proportion of elderly residents, nursing home expenditures were a lower percentage of total expenditures in Florida (6.1%), than in the U.S. (7.1%). For services with more than \$10 billion in expenditures in Florida, the percentage in Florida exceeded that in the U.S. for physicians by 1.7 percentage points and medicinal drugs by 0.6 percentage points. The percentage in Florida was also greater for Other Professionals (a difference of 2.4 percentage points), Home Health (0.6 points difference) and Durable Medical Equipment (0.2 points difference).

Table 8
Expenditures by Health Service
Percent of Total Expenditures
Florida and the United States, 2006

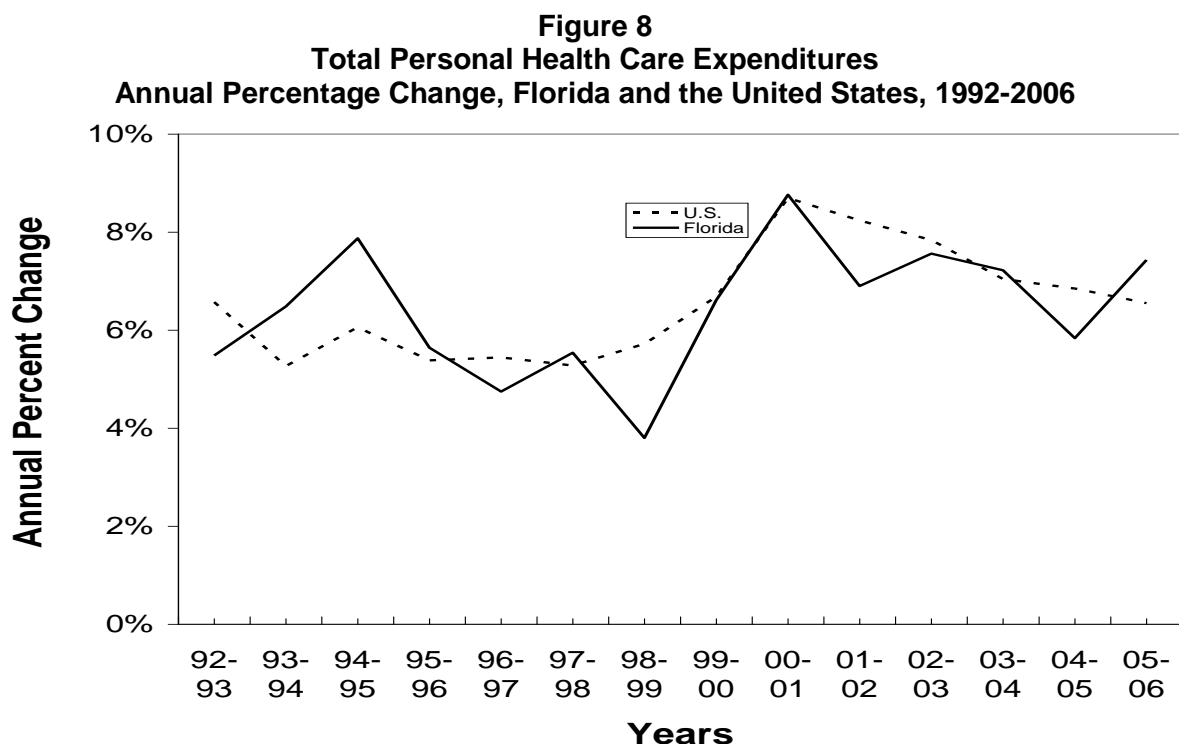
Health Services	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Hospitals	\$37,085	33.0%	\$648,225	36.8%
Physicians *	30,419	27.1%	447,571	25.4%
Dentists	5,144	4.6%	91,498	5.2%
Other Professionals	6,426	5.7%	58,881	3.3%
Home Health	4,093	3.6%	52,705	3.0%
Medicinal Drugs	16,709	14.9%	252,327	14.3%
Durable Medical Equipment	1,724	1.5%	23,709	1.3%
Nursing Homes	6,885	6.1%	124,911	7.1%
Specialized Government Services	3,760	3.4%	62,211	3.5%
Total Personal Health Care	112,246	100.0%	1,762,037	100.0%

* Includes expenditures for Medical Laboratories.

Note: Expenditures in \$ millions. Numbers and percents may not add to totals due to rounding.

Source: AHCA and CMS

Figure 8 shows the annual percentage change in expenditures for Florida and the U.S. since 1992. Over the past fifteen years, the percentage change in Florida exceeded that of the U.S. for seven of those years. Between 2005 and 2006, Florida's percentage change (7.4%) was 0.8 percentage points greater than the rate for the U.S. (6.6%).



Source: AHCA and CMS

Table 9 displays health care payer expenditures by payer in the U.S. and Florida in 2006. Florida had a greater percentage of Medicare expenditures (28.3%) than the nation (21.6%), but a lower percentage of Medicaid expenditures (11.6%) than the U.S. (16.2%). The Medicare proportion for the U.S. was the highest observed since the inception of this report (1992), while the annual percentage increase of 16.9% was also the highest since 1992.

Table 9
Expenditures by Payer
Percent of Total Expenditures, Florida and the United States, 2006

Health Care Payer	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Medicaid	\$12,992	11.6%	285,733	16.2%
Medicare	31,756	28.3%	381,042	21.6%
Other Public Funds	8,003	7.1%	131,423	7.5%
Private Insurance	39,170	34.9%	634,566	36.0%
Out-of-Pocket	15,835	14.1%	256,538	14.6%
Other Private Sources	4,490	4.0%	72,735	4.1%
Total	112,246	100.0%	1,762,037	100.0%

Note: Expenditures in \$ millions; Numbers may not add to totals due to rounding.

Source: AHCA; CMS; CFFR

HMO Expenditures and Premium Revenue

The amount and percentage change in total HMO expenditures and premiums for each year, 1992 to 2006, are reported in **Appendix 8**. Between 1995 and 2000, the annual rate of growth of HMO expenditures had declined. Since 2002, the annual percentage change has steadily increased in each year, reaching 9.0% between 2005 and 2006. **Appendix 9** shows that a major reason for the increase in expenditures is the increase in enrollment for Medicare HMOs, up 14.8% from 2005 to 2006. Over this period, enrollment decreased for Medicaid HMOs (-0.2%) and Commercial HMOs (-8.2%).

Figure 9 compares the annual percentage change in HMO expenditures and premium revenue from 1992 to 2006. Between 1992 and 2001, the increase in expenditures was generally greater than that for premiums. However, between 2001 and 2004, premium increases exceeded those for expenditures. Since then, however, expenditure increases exceeded premium increases. Over the most recent period (2005-06), the increase in expenditures (9.0%) was 2.8 percentage points greater than the increase for premiums (6.2%).

Figure 9
HMO Expenditures and Premium Revenue
Annual Percentage Change, 1992-2006

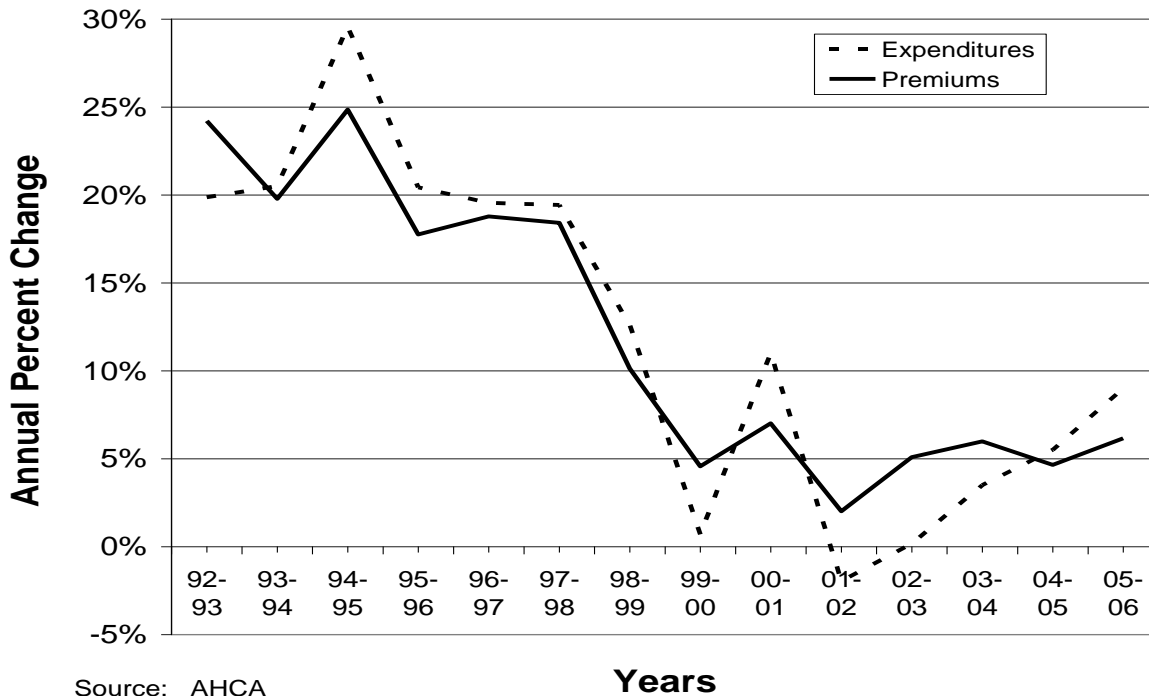


Table 10 shows the proportion of total HMO premium revenue by source (Medicare, Medicaid and commercial) in 1992, 2005 and 2006. The data show that in 2006, Medicare premiums were 42.0% of the total revenue, much higher than the 37.2% share in 2005 and 33.3% in 2004. Commercial premiums were 46.8% of the total in 2006, much lower than the 51.4% share in 2005 and 56.6% in 2004. Medicaid premiums were 11.2% in 2006, down from 11.4% in 2005, but higher than the 5.7% share in 1992.

Table 10
HMO Premium Revenue by Revenue Source
Percent of Total Revenue, 1992, 2004, 2005 and 2006

Revenue Source	1992		2004		2005		2006	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Commercial	\$1,972	58.8%	\$8,177	56.6%	\$7,776	51.4%	\$7,515	46.8%
Medicare	1,192	35.5%	4,813	33.3%	5,628	37.2%	6,746	42.0%
Medicaid	191	5.7%	1,465	10.1%	1,724	11.4%	1,800	11.2%
Total Premiums	3,355	100.0%	14,456	100.0%	15,128	100.0%	16,061	100.0%

Note: Amount in \$ millions.

Source: Florida Department of Financial Services

Table 11 shows that, for all payers, the increase in HMO premium revenue from 2005 to 2006 (6.2%) was associated with a 3.0% decrease in overall enrollment, the seventh consecutive decrease observed since 1999. That yielded a 9.5% increase in premium revenue per enrollee over that period. The annual change in revenue per enrollee has increased by at least 9.0% since 2000.

More detailed information on enrollment and premium revenue is presented in **Appendix 9**, aggregated by plan type. The appendix shows an 8.2% decrease in enrollment for commercial HMO plans, the third largest annual decrease observed since 2000. Medicaid HMOs had a 0.2% decrease in enrollment, 2005-2006, and an increase of 4.4% in revenue, yielding an increase of 4.7% in premium revenue per enrollee. Between 2004-05, that increase was 10.3%. **Appendix 9** also shows that between 2005 and 2006, premiums per enrollee increased by 5.2% for commercial insurance, the smallest increase since 1998, and 4.4% for Medicare, a smaller increase from 9.1% and 10.2% over the previous two annual periods.

Table 11
Annual Percentage Change in HMO Enrollment,
Premiums and Premiums per Enrollee, 2000-2006

	2000	2001	2002	2003	2004	2005	2006
Enrollment	4,917,635	4,756,918	4,407,869	4,248,511	4,089,889	3,843,816	3,727,892
Percent Change	-0.4%	-3.3%	-7.3%	-3.6%	-3.7%	-6.0%	-3.0%
Premiums (\$millions)	\$11,887	\$12,721	\$12,978	\$13,639	14,456	15,128	16,061
Percent Change	4.6%	7.0%	2.0%	5.1%	6.0%	4.7%	6.2%
Premiums / Enrollee	\$2,417	\$2,674	\$2,944	\$3,210	\$3,535	\$3,936	\$4,308
Percent Change	5.0%	10.6%	10.1%	9.0%	10.1%	11.3%	9.5%

Source: Office of Insurance Regulation, Department of Financial Services

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Appendices

- 1: Health Care Services Description
- 2: Sources and Methods for Health Care Services Expenditures
- 3: Health Care Payer Description
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- 5: Two Indices of Health Care Inflation, 1992-2006
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- 8: HMO Expenditures and Premium Revenue, 1992-2006
- 9: HMO Enrollment, Premiums and Premiums per Enrollee by Payer, 2000-2006

Appendix 1: Health Care Services Description Match of SIC to NAICS Categories

Physicians (SIC 801; Includes Osteopaths, SIC 803)

Offices of physicians, except mental health specialists (NAICS 621111).

Offices of physicians, mental health specialists (NAICS 621112).

HMO medical centers (NAICS 621491).

Freestanding ambulatory surgical and emergency centers (NAICS 621493).

Dentists (SIC 802)

Offices of dentists (NAICS 621210).

Other Health Professionals (SIC 804)

Offices of chiropractors (NAICS 621310).

Offices of optometrists (NAICS 621320).

Offices of mental health practitioners, except physicians (NAICS 621330).

Offices of physical, occupational and speech therapists, and audiologists (NAICS 621340).

Offices of podiatrists (NAICS 621391).

Offices of all other miscellaneous health practitioners (NAICS 621399).

Nursing Homes (SIC 805)

Nursing care facilities (NAICS 623110).

Residential mental retardation facilities (NAICS 623210).

Continuing care retirement communities (NAICS 623311).

Hospitals (SIC 806)

General medical and surgical hospitals (NAICS 622110).

Psychiatric and substance abuse hospitals (NAICS 622210).

Specialty hospitals except psychiatric and substance abuse hospitals (NAICS 622310).

Note: Service categories are based on the North American Industry Classification System (NAICS). SIC: Standard Industrial Classification System.

**Appendix 1 (continued):
Health Care Services Description
Match of SIC to NAICS Categories**

Laboratories (SIC 807)

Medical laboratories (NAICS 621511).

Diagnostic imaging centers (NAICS 621512).

Dental laboratories (NAICS 339116).

Home Health (Freestanding) (SIC 808)

Home health care services (NAICS 621610).

Miscellaneous Clinics (SIC 809)

Family planning centers (NAICS 621410).

Outpatient mental health and substance abuse centers (NAICS 621420).

Kidney dialysis centers (NAICS 621492).

All other outpatient care centers (NAICS 621498).

Blood and organ banks (NAICS 621991).

All other miscellaneous ambulatory health care services (NAICS 621999).

Note: Service categories are based on the North American Industry Classification System (NAICS). SIC: Standard Industrial Classification System.

Appendix 2: Sources and Methods for Health Care Services Expenditures

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Hospitals	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Physicians	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Dentists	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Medical Laboratories	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Other Professionals and Miscellaneous Clinics	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Home Health	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Medicinal Drugs	2005 National Health Care Expenditures, U.S. CMS and 1997 and 2002 Economic Census	Ratio of Florida / U.S. sales, drug stores, times national health care expenditures. Beginning with 1999 NHE, "Medicinal Drugs" = "Prescription Drugs" + "Other Non-Durable Medical Products."
Durable Medical Equipment	2005 National Health Care Expenditures, U.S. CMS and 1997 and 2002 Economic Census	Ratio of Florida / U.S. sales, optical goods stores, times national health care expenditures.
Nursing Homes	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Specialized Government and Other Services	2005 National Health Care Expenditures, U.S. CMS	Ratio of Florida / U.S. population times national health care expenditures.

*Total 2002 receipts/revenue reported by the U.S. Census times the ratio of total 2002 annual wages reported by the Bureau of Labor Market Information and the annual payroll reported in the 2002 Economic Census of the U.S. for each respective health service category.

Appendix 3: Health Care Payer Description

Total Personal Health Care Expenditures

Payer expenditures equal the total of health services expenditures in Florida.

Medicare

Medicare is a federal health insurance program for persons 65 years and older and certain persons with disabilities. Expenditures to Florida health care providers as reported in the Consolidated Federal Funds Report, U.S. Census Bureau, including HMO expenditures.

Medicare-Medicaid Crossover

Medicaid payments to Medicare as reported by AHCA. These payments are *deducted* from total Medicare spending.

Medicaid

Medicaid is a state and federal program that provides funds for health care services needed by low-income individuals and families. Expenditures include payments to HMOs and to the Medicaid State Children's Health Insurance Program (SCHIP) Expansion-Title XIX.

Other Government Funding

Includes veteran benefits, military health programs, and workers' compensation. Includes spending for state and local assistance programs, state and local hospital subsidies, the State Children's Health Insurance Program (SCHIP) - Title XXI, the maternal and child health programs, and other programs providing personal health care.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Private Insurance

Includes commercial group and individual insurance, commercial health maintenance organization coverage, and self-insured employer plans. Includes the health insurance coverage of government employees. Includes Florida KidCare program.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Other Private

Expenditures include donations, investments, revenues from gift shops, and other miscellaneous sources.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Out-of-Pocket

Expenditures by consumers to health care providers. Excludes spending on health insurance premiums. Excludes patient payments to providers subsequently reimbursed by insurers. Includes deductibles and coinsurance.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Appendix 4: Sources and Methods for Health Care Payer Expenditures

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Medicaid	AHCA	Total reported expenditures adjusted to calendar year. Includes SCHIP Expansion (Title XIX).
Medicare	U.S. Census Bureau, Consolidated Federal Funds Report	Total reported expenditures adjusted to calendar year excluding Medicaid supplemental medical insurance expenditures.
Other Public Funds	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. other public fund expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida. Includes SCHIP (Title XXI).
Private Insurance	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. private insurance expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.
Out-of-Pocket	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. out-of-pocket expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.
Other Private Sources	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. other private sources expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.

Appendix 5: Two Indices of Health Care Inflation, 1992-2006

Year	Florida ¹		CPI-MC ²	
	Expenditures	% Change	Index	% Change
1992	47,007		190.1	
1993	49,586	5.5%	201.4	5.9%
1994	52,801	6.5%	211.0	4.8%
1995	56,958	7.9%	220.5	4.5%
1996	60,173	5.6%	228.2	3.5%
1997	63,030	4.7%	234.6	2.8%
1998	66,522	5.5%	242.1	3.2%
1999	69,051	3.8%	250.6	3.5%
2000	73,619	6.6%	260.8	4.1%
2001	80,070	8.8%	272.8	4.6%
2002	85,595	6.9%	285.6	4.7%
2003	92,068	7.6%	297.1	4.0%
2004	98,716	7.2%	310.1	4.4%
2005	104,480	5.8%	323.2	4.2%
2006	112,246	7.4%	336.2	4.0%

Notes:

¹ Florida Health Care Expenditures; Source: AHCA

² Consumer Price Index-Medical Care component;
Source: U.S. Bureau of Labor Statistics

Appendix 6: Health Care Expenditures by Service, 1992-2006

Health Care Expenditures by Service								
Health Services	1992	1993	1994	1995	1996	1997	1998	1999
Hospitals	\$18,573	\$19,348	\$20,350	\$21,471	\$22,202	\$22,950	\$24,117	\$24,574
Physicians	12,516	12,761	13,252	14,599	15,210	15,739	16,444	16,986
Dentists	2,025	2,173	2,319	2,490	2,708	2,870	3,066	3,238
Medical Laboratories	1,100	1,159	1,227	1,256	1,332	1,324	1,386	1,651
Other Professionals	2,830	3,204	3,580	3,759	4,139	4,472	4,632	4,328
Home Health	1,489	1,805	2,083	2,255	2,289	2,262	2,192	2,074
Medicinal Drugs	4,641	4,911	5,177	5,673	6,245	7,001	7,763	8,935
Durable Medical Equipment	972	1,041	1,098	1,179	1,282	1,353	1,401	1,421
Nursing Homes	2,138	2,317	2,644	3,024	3,342	3,496	3,821	3,927
Specialized Government	723	865	1,071	1,254	1,424	1,563	1,699	1,919
TOTAL	47,007	49,586	52,801	56,958	60,173	63,030	66,522	69,051

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Health Care Expenditures by Service							
Health Services	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Hospitals	4.2%	5.2%	5.5%	3.4%	3.4%	5.1%	1.9%
Physicians	2.0%	3.8%	10.2%	4.2%	3.5%	4.5%	3.3%
Dentists	7.3%	6.7%	7.4%	8.7%	6.0%	6.8%	5.6%
Medical Laboratories	5.3%	5.8%	2.4%	6.1%	-0.7%	4.7%	19.1%
Other Professionals	13.2%	11.7%	5.0%	10.1%	8.0%	3.6%	-6.6%
Home Health	21.2%	15.4%	8.3%	1.5%	-1.2%	-3.1%	-5.4%
Medicinal Drugs	5.8%	5.4%	9.6%	10.1%	12.1%	10.9%	15.1%
Durable Medical Equipment	7.1%	5.5%	7.3%	8.8%	5.5%	3.6%	1.4%
Nursing Homes	8.4%	14.1%	14.4%	10.5%	4.6%	9.3%	2.8%
Specialized Government	19.7%	23.8%	17.0%	13.6%	9.8%	8.7%	12.9%
TOTAL	5.5%	6.5%	7.9%	5.6%	4.7%	5.5%	3.8%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

**Appendix 6 (continued):
Health Care Expenditures by Service, 1992-2006**

Health Care Expenditures by Service

Health Services	2000	2001	2002	2003	2004	2005	2006
Hospitals	\$25,375	\$27,434	\$28,957	\$31,257	\$33,414	\$34,910	\$37,085
Physicians	18,216	19,829	20,630	21,968	23,672	25,287	27,106
Dentists	3,528	3,761	3,986	4,270	4,558	4,836	5,144
Medical Laboratories	2,030	2,309	2,448	2,602	2,799	2,901	3,314
Other Professionals	4,383	4,652	4,782	4,997	5,284	6,013	6,426
Home Health	2,320	2,476	2,730	2,927	3,357	3,654	4,093
Medicinal Drugs	10,024	11,214	12,476	13,681	14,694	15,504	16,709
Durable Medical Equipment	1,445	1,468	1,509	1,632	1,657	1,686	1,724
Nursing Homes	4,193	4,528	5,397	5,795	6,135	6,285	6,885
Specialized Government	2,107	2,400	2,680	2,939	3,146	3,404	3,760
TOTAL	73,619	80,070	85,595	92,068	98,716	104,480	112,246

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Health Care Expenditures by Service

Health Services	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Hospitals	3.3%	8.1%	5.6%	7.9%	6.9%	4.5%	6.2%
Physicians	7.2%	8.9%	4.0%	6.5%	7.8%	6.8%	7.2%
Dentists	9.0%	6.6%	6.0%	7.1%	6.7%	6.1%	6.4%
Medical Laboratories	22.9%	13.8%	6.0%	6.3%	7.6%	3.7%	14.2%
Other Professionals	1.3%	6.1%	2.8%	4.5%	5.7%	13.8%	6.9%
Home Health	11.8%	6.7%	10.3%	7.2%	14.7%	8.8%	12.0%
Medicinal Drugs	12.2%	11.9%	11.3%	9.7%	7.4%	5.5%	7.8%
Durable Medical Equipment	1.7%	1.6%	2.7%	8.2%	1.5%	1.7%	2.3%
Nursing Homes	6.8%	8.0%	19.2%	7.4%	5.9%	2.4%	9.6%
Specialized Government	9.8%	13.9%	11.7%	9.6%	7.1%	8.2%	10.5%
TOTAL	6.6%	8.8%	6.9%	7.6%	7.2%	5.8%	7.4%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 7: Health Care Expenditures by Payer, 1992-2006

Health Care Expenditures by Payer								
Health Care Payer	1992	1993	1994	1995	1996	1997	1998	1999
Medicaid	\$4,419	\$5,092	\$5,631	\$6,035	\$6,210	\$6,446	\$6,779	\$7,355
Medicare	10,427	11,755	13,490	14,700	15,787	16,534	16,135	16,518
Other Public Funds	4,426	4,483	4,591	4,668	4,717	4,710	4,983	5,094
Private Insurance	15,982	16,502	17,333	18,957	20,150	21,163	23,129	24,284
Out-of-Pocket	9,407	9,302	9,186	9,678	10,147	10,760	11,780	12,038
Other Private Sources	2,347	2,450	2,571	2,920	3,160	3,417	3,715	3,761
TOTAL PERSONAL HEALTH CARE	47,007	49,586	52,801	56,958	60,173	63,030	66,522	69,051

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Health Care Expenditures by Payer							
Health Care Payer	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Medicaid	15.2%	10.6%	7.2%	2.9%	3.8%	5.2%	8.5%
Medicare	12.7%	14.8%	9.0%	7.4%	4.7%	-2.4%	2.4%
Other Public Funds	1.3%	2.4%	1.7%	1.0%	-0.2%	5.8%	2.2%
Private Insurance	3.3%	5.0%	9.4%	6.3%	5.0%	9.3%	5.0%
Out-of-Pocket	-1.1%	-1.3%	5.4%	4.8%	6.0%	9.5%	2.2%
Other Private Sources	4.4%	4.9%	13.6%	8.2%	8.1%	8.7%	1.2%
TOTAL PERSONAL HEALTH CARE	5.5%	6.5%	7.9%	5.6%	4.7%	5.5%	3.8%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 7 (continued): Health Care Expenditures by Payer, 1992-2006

Health Care Expenditures by Payer

Health Care Payer	2000	2001	2002	2003	2004	2005	2006
Medicaid	\$8,332	\$9,560	\$10,828	\$12,243	\$13,470	\$13,886	\$12,992
Medicare	17,452	19,254	20,770	22,415	\$24,979	\$27,174	\$31,756
Other Public Funds	5,389	5,995	6,367	6,923	\$7,246	\$7,439	\$8,003
Private Insurance	26,202	28,637	30,550	32,499	\$34,538	\$36,634	\$39,170
Out-of-Pocket	12,541	12,964	13,390	14,021	\$14,483	\$15,123	\$15,835
Other Private Sources	3,702	3,660	3,689	3,965	\$4,002	\$4,225	\$4,490
TOTAL PERSONAL HEALTH CARE	73,619	80,070	85,595	92,068	\$98,716	\$104,480	\$112,246

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Health Care Expenditures by Payer

Health Care Payer	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Medicaid	13.3%	14.7%	13.3%	13.1%	10.0%	3.1%	-6.4%
Medicare	5.7%	10.3%	7.9%	7.9%	11.4%	8.8%	16.9%
Other Public Funds	5.8%	11.2%	6.2%	8.7%	4.7%	2.7%	7.6%
Private Insurance	7.9%	9.3%	6.7%	6.4%	6.3%	6.1%	6.9%
Out-of-Pocket	4.2%	3.4%	3.3%	4.7%	3.3%	4.4%	4.7%
Other Private Sources	-1.6%	-1.1%	0.8%	7.5%	0.9%	5.6%	6.3%
TOTAL PERSONAL HEALTH CARE	6.6%	8.8%	6.9%	7.6%	7.2%	5.8%	7.4%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 8: HMO Expenditures and Premium Revenue, 1992-2006

Total HMO Expenditures

	1992	1993	1994	1995	1996	1997	1998	1999
Total Expenditures	\$2,835	\$3,398	\$4,095	\$5,306	\$6,391	\$7,640	\$9,125	\$10,275
Percent Change		19.9%	20.5%	29.6%	20.4%	19.6%	19.4%	12.6%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported expenditures values.

Source: Florida Department of Financial Services

HMO Premium Revenue and Percentage Change

Revenue Source	1992	1993	1994	1995	1996	1997	1998	1999
Commercial	\$1,972	\$2,207	\$2,605	\$3,245	\$3,824	\$4,338	\$5,114	\$5,751
Percent Change		11.9%	18.1%	24.5%	17.9%	13.4%	17.9%	12.4%
Medicare	1,192	1,562	1,810	2,269	2,973	3,808	4,569	4,901
Percent Change		31.0%	15.9%	25.3%	31.0%	28.1%	20.0%	7.3%
Medicaid	191	399	576	719	542	572	640	716
Percent Change		108.4%	44.4%	24.8%	-24.6%	5.5%	11.9%	11.9%
Total	3,355	4,168	4,992	6,233	7,339	8,718	10,323	11,368
Percent Change		24.2%	19.8%	24.9%	17.8%	18.8%	18.4%	10.1%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported revenue values.

Source: Florida Department of Financial Services

Appendix 8 (continued): HMO Expenditures and Premium Revenue, 1992-2006

	Total HMO Expenditures						
	2000	2001	2002	2003	2004	2005	2006
Total Expenditures	\$10,346	\$11,484	\$11,259	\$11,279	\$11,674	\$12,316	\$13,425
Percent Change	0.7%	11.0%	-2.0%	0.2%	3.5%	5.5%	9.0%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported expenditures values.

Source: Florida Department of Financial Services

HMO Premium Revenue and Percentage Change							
Revenue Source	2000	2001	2002	2003	2004	2005	2006
Commercial	\$6,182	\$6,812	\$7,399	\$8,074	\$8,177	\$7,776	\$7,515
Percent Change	7.5%	10.2%	8.6%	9.1%	1.3%	-4.9%	-3.4%
Medicare	4,876	4,942	4,424	4,352	4,813	5,628	6,746
Percent Change	-0.5%	1.4%	-10.5%	-1.6%	10.6%	16.9%	19.9%
Medicaid	830	968	1,154	1,213	1,465	1,724	1,800
Percent Change	15.9%	16.6%	19.3%	5.1%	20.8%	17.6%	4.4%
Total	11,887	12,721	12,978	13,639	14,456	15,128	16,061
Percent Change	4.6%	7.0%	2.0%	5.1%	6.0%	4.7%	6.2%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported revenue values.

Source: Florida Department of Financial Services

Appendix 9: HMO Enrollment, Premiums and Premiums per Enrollee by Payer, 2000-2006

Commercial Insurance							
	2000	2001	2002	2003	2004	2005	2006
Enrollment	3,679,935	3,526,504	3,178,263	3,005,760	2,801,868	2,467,263	2,265,448
Percent Change	-0.7%	-4.2%	-9.9%	-5.4%	-6.8%	-11.9%	-8.2%
Premiums (\$millions)	\$6,182	\$6,812	\$7,399	\$8,074	\$8,177	\$7,776	\$7,515
Percent Change	7.5%	10.2%	8.6%	9.1%	1.3%	-4.9%	-3.4%
Premiums / Enrollee	\$1,680	\$1,932	\$2,328	\$2,686	\$2,919	\$3,152	\$3,317
Percent Change	8.2%	15.0%	20.5%	15.4%	8.6%	8.0%	5.2%
Medicare							
	2000	2001	2002	2003	2004	2005	2006
Enrollment	741,091	667,808	574,622	548,478	550,502	590,143	677,766
Percent Change	-6.6%	-9.9%	-14.0%	-4.5%	0.4%	7.2%	14.8%
Premiums (\$millions)	\$4,876	\$4,942	\$4,424	\$4,352	\$4,813	\$5,628	\$6,746
Percent Change	-0.5%	1.4%	-10.5%	-1.6%	10.6%	16.9%	19.9%
Premiums / Enrollee	\$6,579	\$7,400	\$7,700	\$7,935	\$8,743	\$9,537	\$9,953
Percent Change	6.5%	12.5%	4.1%	3.1%	10.2%	9.1%	4.4%
Medicaid							
	2000	2001	2002	2003	2004	2005	2006
Enrollment	496,609	562,606	654,985	694,273	737,519	786,410	784,677
Percent Change	12.4%	13.3%	16.4%	6.0%	6.2%	6.6%	-0.2%
Premiums (\$millions)	\$830	\$968	\$1,154	\$1,213	\$1,465	\$1,724	\$1,800
Percent Change	15.9%	16.6%	19.2%	5.1%	20.8%	17.6%	4.4%
Premiums / Enrollee	\$1,670	\$1,720	\$1,762	\$1,747	\$1,987	\$2,192	\$2,294
Percent Change	3.1%	3.0%	2.5%	-0.8%	13.7%	10.3%	4.7%
All Payers							
	2000	2001	2002	2003	2004	2005	2006
Enrollment	4,917,635	4,756,918	4,407,869	4,248,511	4,089,889	3,843,816	3,727,892
Percent Change	-0.4%	-3.3%	-7.3%	-3.6%	-3.7%	-6.0%	-3.0%
Premiums (\$millions)	\$11,887	\$12,721	\$12,978	\$13,639	\$14,456	\$15,128	\$16,061
Percent Change	4.6%	7.0%	2.0%	5.1%	6.0%	4.7%	6.2%
Premiums / Enrollee	\$2,417	\$2,674	\$2,944	\$3,210	\$3,535	\$3,936	\$4,308
Percent Change	5.0%	10.6%	10.1%	9.0%	10.1%	11.3%	9.5%

Source: Office of Insurance Regulation, Department of Financial Services